Teale

STEPHEN P. TEALE DATA CENTER

STRATEGIC PLAN

FISCAL YEARS
2001/02 – 2002/03

STATE OF CALIFORNIA

**BUSINESS, TRANSPORTATION
AND HOUSING AGENCY**

STRATEGIC PLAN

FISCAL YEARS
2001/02 – 2002/03

JUNE 2001

Please direct any questions regarding this document to the
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GRAY DAVIS
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care

MARIA CONTRERAS-SWEET
Secretary

Department of Motor Vehicles
Office of the Patient Advocate
Department of Real Estate
Office of Real Estate Appraisers
Stephen P. Teale Data Center
Office of Traffic Safety
Department of Transportation

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

June 2001

Fellow Californians:

On behalf of Governor Gray Davis, I am pleased to present the Strategic Plan for the Stephen P. Teale Data Center, a department within the Business, Transportation and Housing Agency. Teale actively assists California state agencies in meeting their business objectives by providing a cost-effective range of quality information technology services and products.

The reality of today is that we live in a society that increasingly relies on computers and the Internet to deliver information and enhance communication. The emerging digital economy has become a major driving force in our economic well-being.

The Davis Administration believes that all Californians are entitled to the information tools and skills that are critical to their participation in the digital economy and that California must maintain and expand its technology role to preserve its leadership and prosperity. Teale will play an important role to ensure that all Californians have universal access to the benefits that technology can provide. This Strategic Plan is a move in that direction and the innovative goals and strategies identified will help to ensure that all Californians have universal access to the benefits of leading-edge technological invention.

Sincerely,

MARIA CONTRERAS-SWEET
Secretary

Teale

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June 2001

To Teale's Stakeholders,

I am pleased to present the Strategic Plan for the Stephen P. Teale Data Center. In formulating this Plan, we met with a number of customers to understand the products, services and support they require. We then met with several vendors to better understand how we can work with them to bring the best products and services to our customers. We also met with the Business, Transportation and Housing Agency and the Department of Information Technology to ensure that our goals are aligned with those of the Davis Administration. These activities, coupled with the efforts of the Teale staff, have produced a blueprint for the coming years.

As we move toward the goal of bringing a single electronic government interface to all Californians, we at Teale look forward to working collaboratively with our stakeholders to address the administrative and technology challenges of eGovernment. Some of our customers, using Teale's services, have already successfully implemented eGovernment applications that use new Internet/intranet middleware and incorporate leading web and application server technology while supporting existing databases. We believe we are very well positioned to provide the infrastructure that customers need to marshal in new eGovernment applications.

The Data Center's move to its new site in Rancho Cordova has greatly enhanced Teale's ability to provide uninterrupted information technology services to our customers. The new site has many advantages, such as significantly improved physical security, fiber-optic communications from multiple carriers and redundant electrical feeds. There are also dual SONET fiber-optic rings and a diesel Uninterruptible Power Supply system with greater capacity to protect against data and power interruptions. Teale has implemented new computer and network technology that is more reliable and easily scaled to very high levels of use. Thus, we will have an excellent foundation to build the eGovernment infrastructure needed by our customers for the future.

We look forward to many changes as we implement this Plan and will continue to bring you quality service and support at a very competitive cost. We appreciate your business and are committed to supporting your technology programs with the highest level of dedication and technical expertise.

Sincerely,

GLEN S. MATSUOKA
Acting Director

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EXECUTIVE SUMMARY

Trends in information technology, changes in state government and several internal stresses are all converging to present Teale Data Center with significant new challenges. Consequently, Teale has had to look at new ways of doing business and this Strategic Plan provides the Data Center with the framework to better serve its customer agencies in the future.

In this Plan, Teale has documented its commitment to improve delivery of services through attention to the following areas:

- The advent of the Internet and eGovernment has elevated the importance of reliable network security. Teale will continue to make improvements in its network security as customers implement systems that allow access by other governments, businesses and citizens.

- Teale expects an increasing number of customers to require 24x7 availability of applications over the Network.

- State departments are refocusing their resources and are designing and implementing technology projects at a rapid rate. They are often doing so through the alternative procurement process, which makes it possible for them to specify technology solutions that are not currently supported by Teale.

- Procurement, hiring and other state processes are unable to keep pace with the demands and technology efforts. This limits the Data Center's ability to meet the business requirements of its customers.

- Recruitment, retention and training in emerging technologies continue to be issues for state information technology organizations. Competition from the private sector has exacerbated this problem, leaving many positions currently unfilled.

- Customers are asking that the Data Center take the lead on setting standards and developing guidelines for eGovernment and other computing services. To do so, Teale will need to be creative in anticipating customer needs and developing the expertise and resources to fulfill them.

The goals described in this Strategic Plan will guide the Data Center's leadership as they set the course for Teale's future. Processes and procedures will be developed for the new organization as it continues to support its customers and provide a reliable computing infrastructure for the State. This Plan takes into account customer needs and the evolution of technology, while maintaining a long-range view from the statewide perspective. The goals outlined are sponsored by Teale's Executive Staff and will be reviewed on a quarterly basis to document progress achieved.

MISSION STATEMENT

The mission of the Teale Data Center is to support the ability of its government customers to efficiently serve the citizens of California. Through economies of scale, Teale provides its diverse customers with a secure, reliable and flexible infrastructure that supports a wide range of contemporary information technology solutions with a focus on electronic access.

OUR VALUES

Our guiding values are that we will treat everyone with courtesy, respect and dignity; we will perform our jobs with integrity, expediency and excellence to promote a professional work environment; and we will ensure customer satisfaction. Our values are stated in the context of the Teale Data Center's commitment to the successful completion of projects and services to assist customers in meeting their ongoing goals and objectives.

Citizens of California. We accept our responsibilities to the citizens we serve and will provide the leadership and direction to produce cost-effective services over the long term. Teale will provide these services at levels that meet or exceed those which may be achieved through alternative business arrangements.

Customers. We will fully meet our commitments, exceed service requirements whenever possible, provide excellent value, and work with our customers to understand their departmental objectives. Teale staff will provide the leadership to respond with personalized attention to the needs of our customers; and will be innovative in assisting them to achieve their business goals.

Staff. Teale staff are the people who will fulfill our mission and provide the vision for the future. We must make a commitment to provide opportunities for meaningful, challenging and rewarding tasks; and establish a safe, positive and respectful work environment. As a result, our organization will be the model for diversity, teamwork and open communication.

Colleagues. We must actively assist and support our colleagues to create a "single face" of government for our customers in order to ensure the efficient and rapid deployment of cost-effective technology solutions.

Suppliers. We will treat our suppliers fairly and forthrightly, fully live up to our commitments and agreements, and strive to develop positive and stable long-term relationships.

VISION SUMMARY

Teale Data Center is known for its technology leadership in the State of California. Teale, its customers and other technology service organizations work collaboratively to plan and implement innovative solutions. As a result, California is universally recognized as the State that most effectively uses technology in government.

PARTNERSHIPS AND CUSTOMER SERVICE

Among Teale's greatest strengths is its ability to develop partnerships based on trust and collaboration. The Data Center's partnerships with customers, vendors and other private sector entities serve as models for all levels of government. These partnerships enable Teale to provide the services that exceed customer needs at rates that are competitive with the best private sector alternatives.

ORGANIZATIONAL CULTURE AND TEAMWORK

Our organizational culture is characterized by a commitment to a clear direction and common goals. Teale provides an environment that fosters teamwork, collaboration across functions and effective communication between management and staff and across organizational boundaries. The Data Center offers the opportunity to work with the best and brightest people on projects that benefit Californians, while remaining current on existing and emerging technologies.

INTERNAL EFFICIENCY

Teale has developed internal processes that reduce bureaucracy, accelerate decision-making and enhance its ability to serve customers rapidly. Therefore, customers seek the Data Center's advice and collaboration on projects from planning through execution and rely on Teale's exceptional project management and technical support.

A REPUTATION THAT BRINGS QUALITY PEOPLE TO TEALE

The most qualified technical and management talent want to work at Teale. The Data Center is able to recruit and retain an excellent staff because of its reputation as a desirable place to work. Teale's staff are well-trained and appropriately compensated.

LEADERSHIP IN TECHNOLOGY AND ELECTRONIC ACCESS TO GOVERNMENT

The Data Center offers a seamless, reliable and secure infrastructure that supports eGovernment, as well as access to legacy systems. Because Teale understands the needs of its customers, they seek the Data Center's advice and collaboration on projects from planning through execution. Staff are able to work closely and effectively with them to rapidly design, develop and implement eGovernment solutions. Teale is able to offer a range of options that meet most needs of state departments because the Data Center identifies the best in each category of its service offerings and works with customers, vendors and control agencies to implement them.
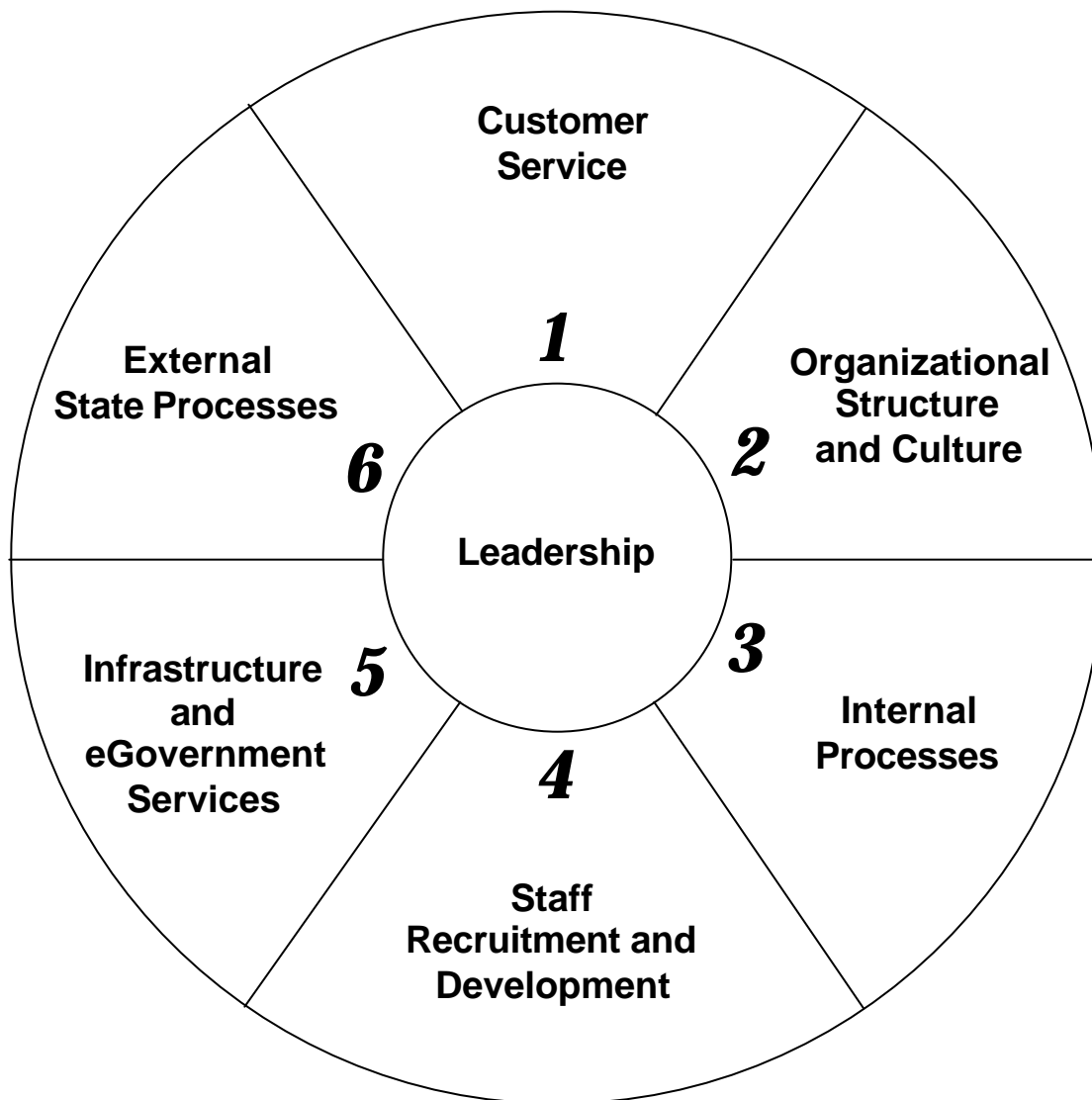
STREAMLINED STATE PROCESSES

Teale has a high level of delegation authority and project approval because staff have demonstrated a history of integrity and reliability through project successes. As a result, the Data Center is innovative and able to rapidly provide solutions to its customers.

TEALE'S SIX GOALS: A GRAPHIC REPRESENTATION

Our Six Goals. The following depicts our six goals which are all part of one cohesive effort to move the Teale Data Center toward its vision. The Strategic Plan further delineates each of these goals beginning on Page 11, including sets of strategies to achieve them.

The Central Theme: Leadership. The six goals all revolve around a central theme, which is that leadership is required to achieve each goal; and at the same time, achieving the goal will further Teale's leadership role in the State.

Customer Service

1

External State Processes

6

Organizational Structure and Culture

2

Leadership

Infrastructure and eGovernment Services

5

3

4

Internal Processes

Staff Recruitment and Development

THE SIX GOALS

1

PROVIDE EXCELLENT CUSTOMER SERVICE AS EVERYONE'S PRIORITY THROUGHOUT THE DATA CENTER.

Teale serves more than 250 state agencies. This goal supports the Data Center's desire to provide excellent service to each customer, which requires a commitment from everyone in the organization.

2

ESTABLISH AN ORGANIZATIONAL STRUCTURE AND CULTURE THAT ENABLE TEAMWORK, FLEXIBILITY, INNOVATION AND RAPID RESPONSE IN MEETING CUSTOMER NEEDS.

This goal reflects the need to evolve our organizational structure in support of collaborative and cross-functional teams. This environment enables Teale to better serve its customers and support the complex technology infrastructure required in state government.

3

DEVELOP OR STREAMLINE INTERNAL PROCESSES TO ENHANCE EFFICIENCY AND COST-EFFECTIVENESS.

Teale, like all government and private technology organizations, must streamline internal processes and provide a more rapid response in developing solutions and solving problems. This goal also supports Teale's ongoing efforts to reduce costs to its customers.

4

RECRUIT, DEVELOP AND RETAIN HIGHLY-QUALIFIED STAFF AT ALL LEVELS.

The greatest value Teale adds to its extensive information technology infrastructure is the expertise of its staff. As state government enters the realm of expanded electronic access for its citizens, Teale must recruit, develop and retain staff with a breadth of expertise.

5

WORK WITH CUSTOMERS TO ENHANCE TEALE'S INFRASTRUCTURE AND PROVIDE TECHNOLOGY AND SUPPORT FOR EGOVERNMENT SERVICES.

This goal sets forth strategies to develop Teale's direction and detailed plans for evolving its infrastructure and eGovernment services. This Plan will be in accordance with the Governor's Office of Innovations Blueprint for eGovernment.

6

WORK WITH CONTROL AGENCIES TO INCREASE OUR DELEGATION AUTHORITY AND STREAMLINE STATE PROCESSES THAT LIMIT TEALE'S ABILITY TO MEET THE NEEDS OF ITS CUSTOMERS.

Customers and vendors clearly indicated the need for Teale to enhance its ability to fulfill control agency requirements in a streamlined and prompt manner. This includes the ability to have technical staff in place to assist customers in developing eGovernment solutions.

THE TEALE DATA CENTER STRATEGIC PLAN

EXTERNAL INPUT INTO THE PLANNING PROCESS

The hallmark of Teale's strategic planning process was an extensive "environmental scan" with the major focus on gathering customer ideas and feedback. In-depth interviews were conducted with representatives of eleven customer organizations, representing a cross-section of sizes and types of state agencies. The scan also included comprehensive presentations by ten vendors, in which they discussed technology trends and their viewpoint on emerging technology issues facing the State. In addition, representatives from the Department of Information Technology and the Business, Transportation and Housing Agency provided guidance and input into the Plan.

The following is a synopsis of the themes which were most commonly reported by customers, vendors and state officials. They are categorized in four areas: Teale's strengths and weaknesses; and the opportunities and challenges facing the Data Center.

STRENGTHS

- *Technical Expertise*. Customers report that technical staff have a depth of knowledge and skill, often in very complex areas of technology.

- *Historical Knowledge*. Customers frequently recognized the depth of knowledge held by Teale's technical staff about their systems and history. This has often proved crucial in maintaining these systems and solving technical problems.

- *Customer Service*. Many comments indicated that Teale's Customer Service Representatives, Help Desk staff and technical staff work hard to serve customers and are willing to address new challenges to meet their needs. Customers appreciate that Teale staff are committed to solving their problems and often go "above and beyond the call of duty" to get the job done.

- *Cost of Service*. Several customers recognized that Teale provides many services at lower rates than the private sector and expressed appreciation for rate reductions in recent years.

WEAKNESSES

- *Customer Service*. While many customers recognized strengths in this area, some also identified weaknesses. Typical comments indicated that customers may be referred to multiple staff before their problem is resolved. Many also felt that Teale staff do not accept customers' new technology proposals, but rather try to question these proposals and attempt to persuade the customer to pursue a different approach.

- *Leadership*. Many comments indicated a desire for Teale to be more proactive in setting technology direction and present a clearer vision, both for Teale's future and for the State's direction in emerging technologies. Customers also expressed a desire for leaders and managers to visit customer sites when major problems occur.

- *Knowledge of Emerging Technologies*. Customers would like Teale to develop broader expertise, particularly in areas of emerging technologies and services not currently provided by the Data Center.

- *Billing System*. Many customers report confusion about their monthly charges and the complexity of their invoices.

OPPORTUNITIES
- *Closer Partnerships*. Some customers would like Teale to work with them earlier in the development of their projects, and thus have the Data Center's support when their proposals are presented to control agencies. Others would like to participate with Teale in long-range planning, developing Service Level Objectives, or revising the Data Center's business processes.

- *Shared Services to Cut Costs*. Some customers would like Teale to make even greater efforts to find additional customers for the tools and services they use so that costs would be reduced through economies of scale.

- *A Selected Set of Solutions*. There is support from customers and vendors for Teale to determine the three to six best options or solutions in a given area and provide those to its customers. This correlates with the desire for shared services to cut costs.

- *Setting Standards*. Customers and vendors believe Teale needs to take a leadership role in the State's efforts to establish standards for information technology – particularly in eGovernment.

CHALLENGES
- *Competition for Technical Staff*. Customers and vendors recognize that state government has difficulty recruiting and retaining highly-qualified technical staff, particularly those who are knowledgeable about web-based technology.

- *Addressing the Limitations of the State System*. Many customers recognize the challenges faced by the Data Center in obtaining project approval and spending authority to hire staff and develop expertise in areas of emerging technology.

DEVELOPING THE STRATEGIC PLAN

Over half of Teale's staff at many organizational levels participated actively in the development of this Plan. The Planning Team, consisting of Executive Staff and Branch Managers, held two off-site meetings to outline the Plan. Branches then held meetings at which their staff provided input, including ideas for implementing the goals that would most affect their areas; and each Division's leadership met to discuss the Plan and its implementation. Staff from all levels participated in a series of focused issue sessions to explore strategic issues that are critical to Teale's future. These sessions generated many of the specific action steps reflected in this Plan. The planning process was coordinated by a project team comprised of Teale staff and The Results Group, strategic planning consultants.

IMPLEMENTING THE STRATEGIC PLAN

The implementation of the goals and strategies in this Strategic Plan will require a collaborative, organization-wide effort with input from customers. The first step is to develop action plans for the strategies which are targeted as priorities for the first year. For each of these, a task force with representation from various Teale divisions will develop the detailed action plans with tasks and timelines for completion. The Planning Team will meet quarterly to oversee the implementation of these action plans and will revise the strategies as circumstances change or the action plans are completed. The Plan, which will be revised annually, is expected to guide the Data Center for the next two years. At the end of this period, the complete planning process will be undertaken and a next-generation Strategic Plan developed.

GOALS AND STRATEGIES

1 CUSTOMER SERVICE

Provide excellent customer service as everyone's priority throughout the Data Center.

Strategy A. Define Teale's service offerings and customer needs.

1. Establish criteria for service offerings; then evaluate current and potential offerings. (Include project management as a service offering.) Define Teale's focused areas of expertise and a comprehensive list of offerings. Define the conditions under which the Data Center provides these services.

2. Determine how to transition services to other providers, where appropriate.

3. Inform customers — both IT staff and business decision-makers — about Teale's revised service offerings.

4. Evolve Teale's service offerings based on changing customer needs and available technology. Develop critical service offerings (including procuring equipment and training staff) before a customer service request is in place.

Strategy B. Implement a Customer Outreach Program.

1. Conduct an initial round of customer meetings.

2. Develop an ongoing outreach program that builds trusting relationships and measures customer satisfaction.

3. Develop a customer complaint process and appoint an ombudsman to assist in resolving issues.

4. Celebrate successes with customers.

Strategy C. Streamline customer access to Teale services; and improve how problems are managed.

1. Conduct an assessment and process improvement project regarding how customers contact Teale. Develop a systematic process for customers to contact Teale for their various needs, fully utilizing electronic access.

2. Develop a structure or process so that every major problem has an "owner" who will monitor it, keep the customer informed and log information for future reference.

3. Define and implement customer self-service.

Strategy D. Upgrade Help Desk tools, information and expertise.

1. Implement and fully utilize automated tools to provide historical data and expert systems.

2. Provide technical training so that Help Desk staff are better able to diagnose and address problems or refer the customer to the appropriate Teale resource.

Strategy E. Provide customer service training and feedback for Teale staff.

1. Establish a customer service training and development program specific to Teale which includes improving staff's understanding of the business needs of customers. Train all staff to give consistent messages from all parts of the Data Center, use good customer services processes and improve the quality of interactions.

2. Establish a process for monitoring customer calls for quality assurance; and provide training or coaching to staff, as needed.

Strategy F. Develop Service Level Objectives.

1. Establish service level targets within Teale.

2. Establish Service Level Objectives with customers and finalize agreements based on these objectives.

2 ORGANIZATIONAL STRUCTURE AND CULTURE

Establish an organizational structure and culture that enable teamwork, flexibility, innovation and rapid response in meeting customer needs.

Strategy A. Develop a collaborative culture: Teale as one team working together to achieve excellent customer service.

1. Launch a Teale-wide culture change effort. Include activities, workshops and training sessions to bring Teale's values into everyday practice and to build respect and camaraderie between divisions, shifts, administrative/technical staff and staff/management.

2. Recognize/reward staff on a regular basis for examples of service excellence. Initiate mechanisms to ensure that appreciation, recognition and rewards occur across divisions and at all levels.

3. Involve staff from all divisions in project teams, training and special opportunities.

4. Institute ongoing processes to involve staff in major decisions and address major staff concerns.

5. Have more informal gatherings, celebrations and recognition events across divisions. Build in mechanisms to involve staff from various branches and ways for them to get to know each other.

6. Establish a Branch Managers' forum and work together to identify and solve common problems, build teamwork and collaborate on high-level assignments.

Strategy B. Streamline and enhance internal communication.

1. Analyze current communication mechanisms and implement changes (eliminate, change, add). Consider using an internal newsletter and intranet.

2. Expand a schedule of regular meetings to update staff on the status of the Plan, obtain input on key decisions and address concerns: monthly division meetings (Director to attend every third month), and periodic all-staff meetings.

Strategy C. Enhance the ability to form cross-functional, temporary teams for specific purposes.

1. Establish three types of teams: Project Teams for specific customer projects; Support Teams for solving customer problems; and Task Forces to solve internal problems and for process improvement. Develop internal processes that facilitate the rapid formation of teams, provide clear direction, necessary resources and support, evaluate their effectiveness, and then disband when the team has completed its mission.

2. Provide team development training.

Strategy D. Restructure the organization to facilitate collaboration and teamwork to produce rapid results.

1. Develop an organizational structure that brings staff together and supports teamwork among units.

2. Obtain expeditious approval from control agencies to implement the organizational changes.

3 INTERNAL PROCESSES

Develop or streamline internal processes to enhance efficiency and cost-effectiveness.

Strategy A. Improve administrative processes to enhance the ability of staff to work efficiently and effectively, while assuring compliance with regulatory intent.

1. Implement a business process reengineering project to identify and redesign a manageable number of key administrative processes.

2. Identify and evaluate manual processes that should be automated and implement these changes.

3. Develop an enterprise resource system or central database approach for all Financial and Human Resources processes.

Strategy B. Improve, standardize and document technical processes that support customer service.

1. Establish a team or teams to improve, standardize and document selected technical processes that are most critical to Teale's customer service and efficiency.

2. Include adherence to established processes in staff performance appraisals.

Strategy C. Improve the Billing/Invoice process to increase customer satisfaction.

1. Identify ways to provide additional information to customers through customized invoices, electronic access to detailed back-up data and reporting tools for their own use.

2. Work with customers to design a more useful summary page.

Strategy D. Implement a centralized project management approach.

1. Develop comprehensive project management processes to cover the range of complexity in Teale's projects. Define a set of acceptance criteria for new projects, including up-front assessment of risk, personnel needs and overall cost/cost recovery.

Strategy E. Implement a cost management program.

1. Reexamine the current Cost Center approach. Redefine Cost Centers to better monitor and allocate Teale's costs and to provide more useful information to customers. Design metrics that accurately measure Teale's productivity per dollar expended and compare to industry standards.

2. To assure that all Teale employees understand cost and revenue issues, establish a mechanism and format for broad-based information about the status of both throughout a budget year.

3. Initiate a process to ensure that new projects are applied to the most appropriate, cost-effective platform.

4. Implement an asset management program.

4 STAFF RECRUITMENT AND DEVELOPMENT
Recruit, develop and retain highly-qualified staff at all levels.

Strategy A. Define staffing needs for current and future service offerings.

1. Analyze current and near-future staffing needs based on staffing metrics and consider all areas for probable augmentation.

2. Staff to act as a rapid response team which can be tapped quickly for projects, training and development coverage and expanded service offerings.

Strategy B. Enhance current efforts to recruit and retain staff.

1. Develop an aggressive and expanded recruitment plan by employing new methods, such as open exams, online application and intensified outreach activities. Identify best recruitment practices with the Health and Human Services Data Center and other state and private entities.

2. Research and analyze improved, performance-based benefits, such as a sabbatical process, tuition reimbursement for continuing education, flexible work hours and places, and work-related home use of surplus equipment.

3. Work with control agencies to increase technical compensation and allow creative and timely hiring practices.

4. Identify and implement creative retention strategies. Emphasize providing technical staff with appropriate tools and the ability to work from remote locations.

Strategy C. Provide ongoing staff training and development.

1. Establish a Teale Training Plan to ensure that employees are properly trained in technical and people skills. Each Division should develop a training plan and designate a Training Coordinator to ensure that in-house courses and funds for outside training are appropriately used.

2. Identify training and provide back-up staffing to allow employees to attend training.

3. Offer more in-house training; increase cross-training and job rotation opportunities.

4. Build technical training into the earliest phases of customer projects and include this as part of the project cost.

5. Define skill-building and training requirements for positions as part of annual review.

Strategy D. Provide supervisory and management training and development.

1. Ensure that staff who are being promoted to supervisor/manager positions receive the necessary training.

2. Develop an ongoing supervisor/management training and development program.

Strategy E. Conduct succession planning and leadership development.

1. Implement succession planning to address retirements and other vacancies and fill them in advance, where possible.

2. Establish an ongoing leadership development program in concert with planned supervisory and management training.

Strategy F. Expand career paths and promotional opportunities for all staff classifications.

1. Provide career counseling, training and bridging classifications for staff. Examine current career ladder and promotional opportunities for all job classifications and identify improvements that can be made within the existing structure.

2. Work with control agencies to bring about changes to ensure that all classifications have career ladders and promotional opportunities.

5 INFRASTRUCTURE AND eGOVERNMENT SERVICES
Work with customers to enhance Teale's infrastructure and provide technology and support for eGovernment services.

Strategy A. Implement changes in Teale's operations management so that the Data Center will be positioned to meet the needs of eGovernment.

1. Make the necessary changes to operations management in order to provide "high-availability" for the eGovernment applications of customers.

2. Implement a performance measurement and capacity-planning program that will provide information to Teale and its customers in order to meet their eGovernment performance requirements both today and in the future.

3. Implement necessary network and computer system upgrades to meet the growing network and computing requirements of customers.

Strategy B. Implement changes in Teale's network environment so that the eGovernment communications requirements of customers will be met.

1. Implement storage devices in the network in order to store web content closer to end users and provide better Internet response time.

2. Implement Quality of Service capabilities in the Cisco-routed network in order to meet the response time requirements of different applications.

3. Implement wireless, DSL, Cable and VPN capabilities in the network to meet the needs of mobile and remote customers.

Strategy C. Implement changes in Teale's server environment so that the eGovernment computing requirements of customers will be met.

1. Implement server clustering, where necessary, in order to meet the availability and performance requirements of customers.

2. Eliminate any single points of failure in the server environments in order to meet the availability of customers.

3. Implement Storage Area Networks in the server environments in order to consolidate UNIX and NT server storage and make it more manageable and cost effective.

4. Consolidate server workloads, when possible, to allow Teale to provide an economy-of-scale that will provide customers with cost-effective processing.

5. Upgrade the NT servers to the Windows Data Center version in order to allow Wintel servers to meet the growth and availability requirements of eGovernment.

6. Implement OS/390, UNIX and Wintel servers that support 64 bit capabilities in order to meet the future scalability requirements for eGovernment servers.

Strategy D. Implement changes in Teale's Internet and web environments so that the eGovernment application requirements of customers will be met.

1. Implement web "utility" software in order to assist customers in web application and content development, web site optimization, web usage analysis and web loading testing.

2. Implement "end-to-end" monitoring software to help Teale and customers to manage the availability and performance of customer session activity in the n-tier web application environment.

3. Continue to enhance the OS/390 environment for eGovernment by implementing web server and web application server functionality within the OS/390 environment.

Strategy E.   Implement changes in Teale's data security environment in order to meet the eGovernment data security requirements of customers.

1. Update Teale's security policies in order to meet the new requirements of eGovernment.

2. Assess current security and plan to address security issues in future service offerings.

3. Conduct periodic security audits and publish results in order to provide assurance to customers that Teale has a secure environment for their processing.

Strategy F.   Implement changes in Teale's Operational Recovery Program so that customers' processing will be recovered in the event of interruptions to the Data Center's processing capabilities.

1. Plan and implement a strategy to allow customers to recover very large databases.

2. Plan and implement a strategy to allow customers to recover web-based eGovernment applications.

3. Plan and implement a strategy to allow Teale to recover its internal PC/LAN environment.

Strategy G.   Accept increased responsibility for operating the California eGovernment Portal.

1. Plan to manage more of the Portal operation if budget approval for additional positions is received.

Strategy H.   Enhance partnerships with customers and vendors.

1. Continue to develop relationships with vendors and evaluate opportunities to meet the needs of customers.

2. Identify and utilize opportunities to work in partnership with customers as they define projects and identify solutions.

Strategy I.   Participate on committees and in other eGovernment forums.

1. Increase Teale's awareness of the plans and strategies of other government agencies.

2. Participate in the development of state eGovernment policies and procedures.

6 EXTERNAL STATE PROCESSES
Work with control agencies to increase our delegation authority and streamline state processes that limit Teale's ability to meet the needs of its customers.

Strategy A. Create a position of "Interagency Liaison" to coordinate and lead Teale's efforts to achieve this goal.

1. Initiate the process to create an "Interagency Liaison" position that will report to the Director.

2. Recruit based on experience with advocating on behalf of other state departments.

Strategy B. Address issues regarding budget and procurement; personnel and compensation; and information technology.

1. Identify the key issues and develop strategies.

2. Identify opportunities to create or participate in pilot projects.

3. Work with customers and control agencies to gain their support for increasing Teale's delegation authority for projects, as well as changing state processes.

Strategy C. Develop support for Teale's efforts from Agency, other data centers and customers.

1. Meet with Agency to present the concepts, finalize strategies and enlist support.

2. Work with other data centers on issues of common interest.

FISCAL SUMMARY

BACKGROUND

The Stephen P. Teale Data Center exists by authority of Government Code (GC) Section 11752. The Data Center receives its funding from the Teale Data Center Revolving Fund, a non-governmental cost fund within the State's Administration Budget (GC Section 11754). Teale's Revolving Fund receives its funding through payments from customer agencies for information technology goods and services provided. Teale is 100 percent self-supporting through service recovery billings in accordance with the State Administrative Manual and Government Code statutes. Teale traditionally uses its two largest Cost Centers, CPU and Data Storage, as benchmarks for workload measurements and adjustments.

REVENUE PLAN

Revenues are estimated at $89.5 million for FY 2001/02. This number is adjusted during the year as the impact of rate reductions and customer workload variations are better known. In FY 2001/02, Teale will operate with a projected support budget appropriation level of $89.3 million. Actions taken during the upcoming 2002/03 budget cycle may increase or decrease this proposed expenditure level.

Revenues are generated through numerous information technology services provided by the Data Center. It is estimated that approximately $66.4 million will be generated through processing services which include: mainframe batch, online, peripheral and mid-range processing services. Another $23.1 million is anticipated to be spent on dedicated services for resources such as terminals, modems, personal computers (PCs), communication lines, PC software and dedicated mainframe software.

CASH PLAN

Through FY 2000/01, Teale maintained sufficient workload growth to accumulate a fund reserve which will provide a 60-day cash flow reserve to meet ongoing obligations and unanticipated expenses. In 1999/00, Teale was given the ability to automatically transfer payments due from its customers through the State Controller's Office. This allowed Teale to revert a $9.7 million surplus that had been held for cash flow purposes back to its customers' funds.

RATES

Teale makes every effort to provide customers with the highest level of service at the lowest and most equitable cost and has reduced its billing rates regularly since 1989. Teale's largest two Cost Centers, CPU and Data Storage, have had the most drastic reductions. In 1989, the CPU hourly rate was $2,429; today, the hourly rate is $198 per hour for a reduction of 91.8 percent. In 1989, the DASD rate per megabyte per day was $.1260; today, it is $.0053 for a net reduction of 95.8 percent.

BUDGET PLAN

The 2001/02 budget totals $89.3 million and includes the following adjustments from 2000/01:

- An augmentation of $1.7 million to increase capacity for central processing and direct storage needs.

- An increase of $4.5 million to acquire additional mid-range system capacity to meet the increased use of client/server platforms including eGovernment web-enabled applications.

- An increase of $198,000 in overtime resources to provide cost and feasibility estimates for alternative procurements that identify the Data Center as the infrastructure piece of a project's solution.

- A decrease of $4,750,000 to reduce Teale's authorized expenditure authority for payment of leasing Teale's Rancho Cordova facility. Due to the purchase of the facility in January 2001, future bond debt repayments will be made directly from the Teale Data Center Revolving Fund, Item 2780-003-0683.

- A decrease of $3.8 million to align Teale's expenditure authority for previously-approved projects with the actual costs.

- A decrease of $3.1 million to reflect a reduction in base rental payments due to an updated debt service payment schedule for the purchase of the new building.

After receiving approval from the Senate Budget and Fiscal Review Subcommittee No. 4, the Department of General Services approved a lease agreement for the Teale Data Center to move to a new build-to-suit facility in Rancho Cordova. During most of FY 2000/01, Teale maintained two data center facilities: 2005 Evergreen Street, Sacramento, its facility for almost 20 years; and the site in Rancho Cordova, which was completed in April 1999. In July 2000, Teale began its relocation to the new facility and the move was completed in December 2000.

The Department of General Services and the Department of Finance determined that it would be of economic value to exercise the purchase option in Teale's Rancho Cordova facility lease. The building was purchased in January 2001, for $45.9 million. The Public Works Board decided that revenue bonds would be sold to finance the State's purchase of the new facility. The Department of Finance requested that Teale make its bond debt repayments from a new Budget Item 2780-003-0683.

STEPHEN P. TEALE DATA CENTER
FINANCIAL SUMMARY
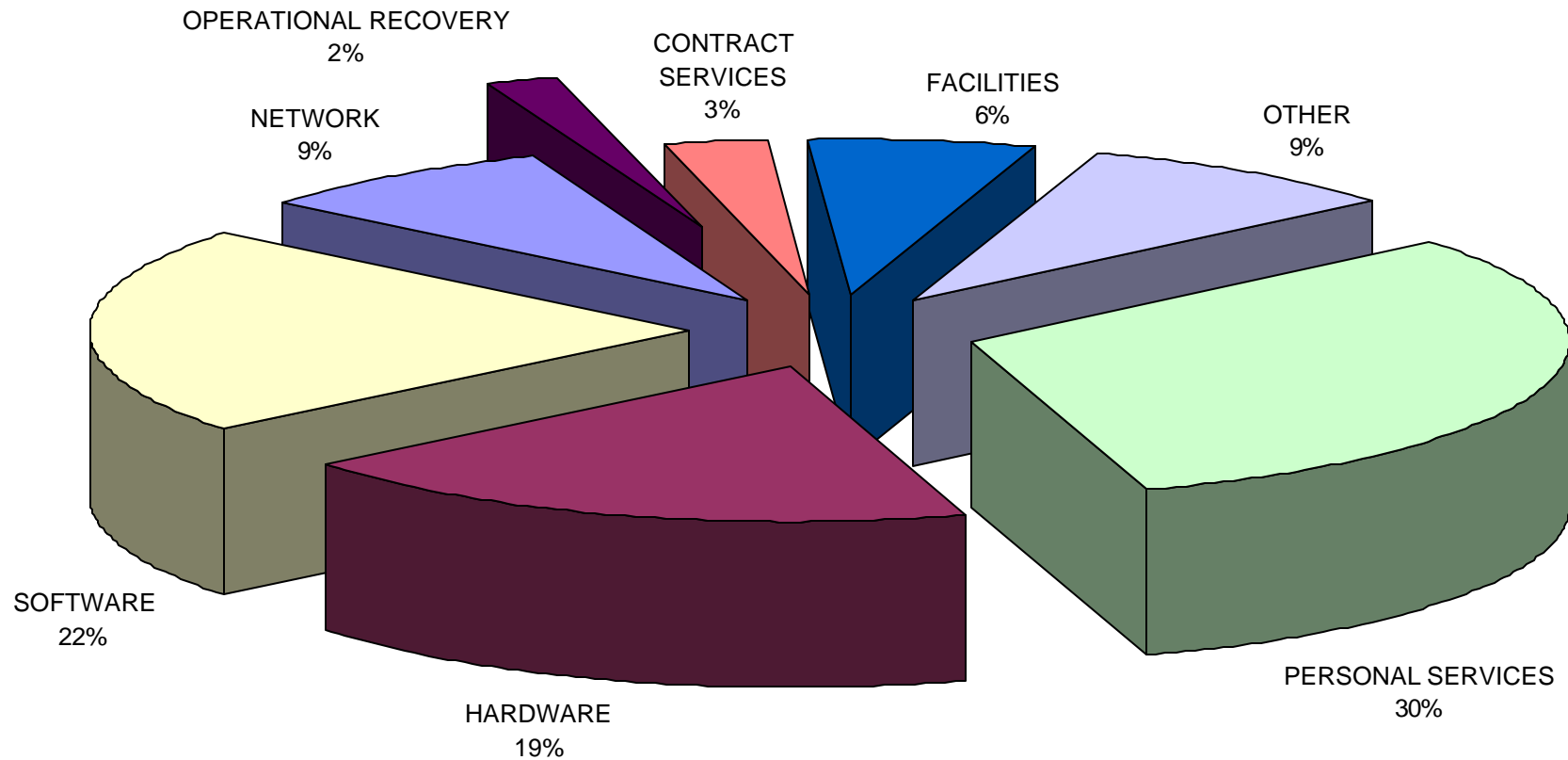### FISCAL YEARS 1996/1997 THROUGH 2001/2002

	Actual 1996/1997	Actual 1997/1998	Actual 1998/1999	Actual 1999/2000	Estimated 2000/2001	Proposed 2001/2002
REVISED BUDGET	$79,944,000	$84,179,000	$83,506,000	$92,648,000	$90,134,000	$89,262,000
EXPENDITURES						
Personal Services Expenditures	$23,712,671	$23,699,617	$23,993,156	$25,608,139	$27,461,000	$28,003,000
Operational Expenditures	$31,413,151	$29,171,310	$35,706,628	$42,077,704	$39,573,000	$38,159,000
Dedicated Expenditures	$21,731,173	$23,397,785	$20,839,591	$21,346,664	$23,100,000	$23,100,000
Total Expenditures	$76,856,995	$76,268,712	$80,539,375	$89,032,507	$90,134,000	$89,262,000
REVENUE						
Services Revenues	$59,731,302	$54,149,697	$62,608,169	$68,664,900	$66,400,000	$66,400,000
Dedicated Revenues	$21,731,173	$23,397,785	$20,839,591	$21,346,664	$23,100,000	$23,100,000
Total Revenue	$81,462,475	$77,547,482	$83,447,760	$90,011,564	$89,500,000	$89,500,000
Difference	$4,605,480	$1,278,770	$2,908,385	$979,057	$(634,000)	$(238,000)
Fund Transfers, Sect.15 BA 1999	-	-	-	$(9,692,194)	-	-
FUND BALANCE	$21,558,000	$24,417,000	$26,328,000	$16,948,063	$16,314,063	$16,076,063

POSITION SUMMARY						
Budgeted Authorized Positions	376.0	376.0	386.0	383.0	395.0	401.0
Position Change	0.0	10.0	-3.0	12.0	6.0	0.0
Adjusted Positions	376.0	386.0	383.0	395.0	401.0	401.0
% Change	0.000%	2.660%	-0.777%	3.133%	1.519%	0.000%

STEPHEN P. TEALE DATA CENTER
2001/02 PROPOSED EXPENDITURES
(TOTALING $89,262,000)

OPERATIONAL RECOVERY
2%

NETWORK
9%

CONTRACT
SERVICES
3%

FACILITIES
6%

OTHER
9%

SOFTWARE
22%

HARDWARE
19%

PERSONAL SERVICES
30%

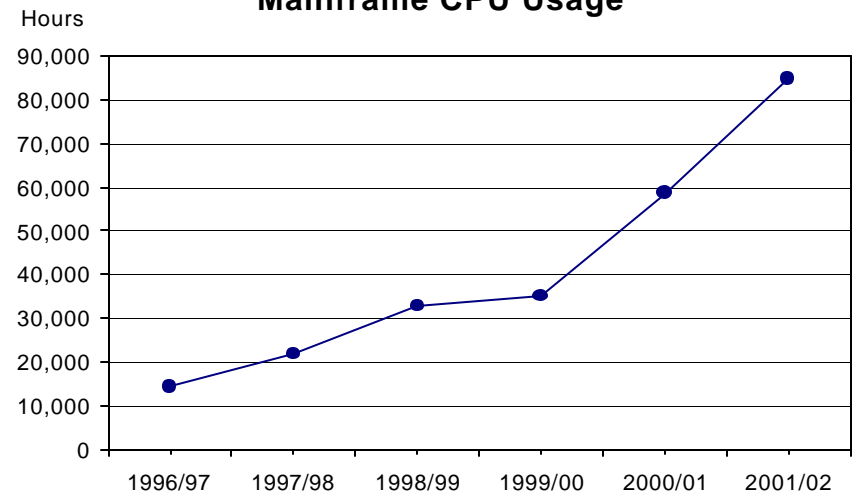# STEPHEN P. TEALE DATA CENTER
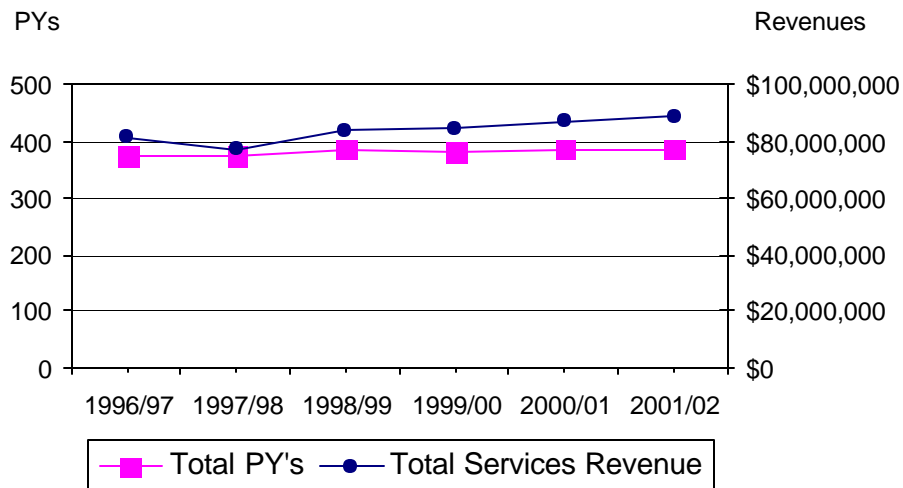# COST EFFICIENCIES AND WORKLOAD GROWTH
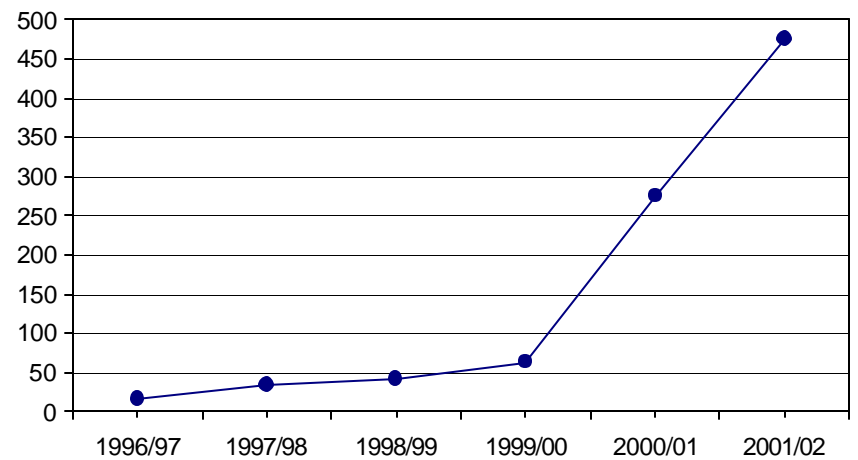

Mainframe Storage
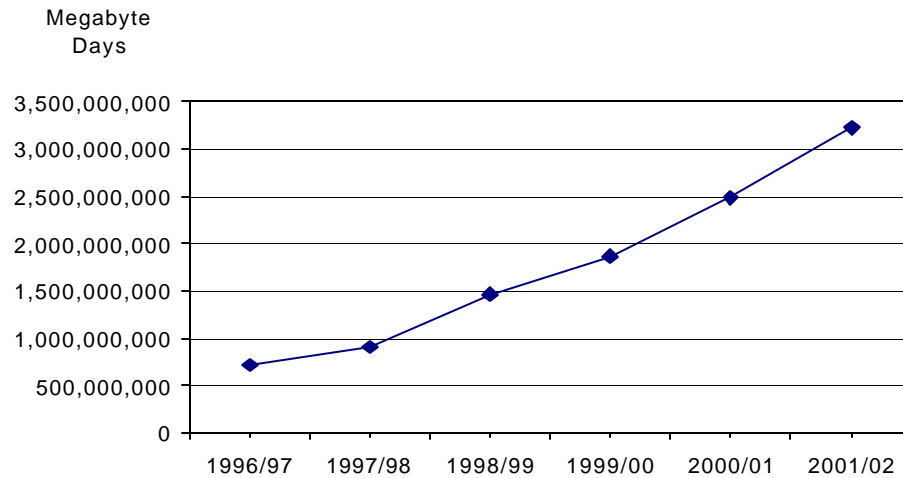
Mainframe CPU Usage

Revenues and Personnel Years

Mid-Range Processors

THE COMPLETE TEALE DATA CENTER VISION STATEMENT

VISION: TEALE DATA CENTER IN THE YEAR 2005

Teale Data Center is known for its technology leadership in the State of California. Teale, its customers and other technology service organizations work collaboratively to plan and implement innovative solutions. As a result, California is universally recognized as the state that most effectively uses technology in government.

PARTNERSHIPS AND CUSTOMER SERVICE

Among Teale's greatest strengths is its ability to develop partnerships based on trust and collaboration. These partnerships with customers, vendors and other state technology organizations enable the Data Center to provide the services that exceed customer needs at rates that are competitive with the best private sector alternatives.

- There is a customer focus throughout Teale.
- Teale builds effective and long-standing partner relationships with customers and demonstrates dedication to meet their expectations.
- The Data Center's partnership with customers includes a management advisory group that helps to develop Teale's direction.
- Teale's internal business processes are web-enabled, providing customers with self-service and interactive services, and access to up-to-the-minute status of projects and open issues.
- To meet the expectations of its customers, Teale partners with vendors to identify the best solutions and services from the private sector and government.
- Teale works collaboratively with other state technology organizations to ensure clear roles and provide cost-effective services.

ORGANIZATIONAL CULTURE AND TEAMWORK

The Data Center is able to recruit and retain an excellent staff because of its reputation as a great place to work. Teale provides an environment that fosters teamwork, collaboration across functions, and a commitment to getting the job done. Teale offers the opportunity to work with the best and brightest people on projects that benefit Californians, while remaining current on existing and emerging technology. Staff are also able to work in a creative environment in our advanced technology lab. Teale works with control agencies and others to restructure information technology classifications and properly compensate and recognize staff through innovative pay, benefits and incentive programs.

The Data Center's organizational culture is characterized by:

- Commitment throughout the organization to a clear direction and common goals
- Effective communication between management and staff, and across organizational boundaries
- Responsiveness and flexibility in serving customers
- Innovation and readiness to move forward to solve problems

- An empowered staff with high morale
- Collaboration and teamwork
- Flexible approaches to work hours and location
- Professionalism and a high level of expertise
- Highly-productive staff developed through excellent orientation, training and mentoring
- Providing support and state-of-the-art tools needed by staff to be successful in their work
- Efficient administrative processes that support staff and minimize time spent on paperwork
- Recognition and rewards that reflect Teale's values

INTERNAL EFFICIENCY

Customers seek Teale's advice and collaboration on projects from planning through execution to augment their own resources.

- Teale understands the needs of its customers and staff are able to work closely and effectively with them to rapidly design, develop and implement technology solutions.
- Teale has worked with control agencies to establish a project approval process that includes early involvement by the Data Center.
- Teale provides exceptional project management and technical support to customers.
- Teale has developed internal processes that reduce bureaucracy, accelerate decision-making and enhance its ability to serve customers rapidly.

A REPUTATION THAT BRINGS QUALITY PEOPLE TO TEALE

California government agencies select Teale to be their technology services provider because of the Data Center's technical expertise and commitment to customer service. The most qualified technical and management talent want to work at Teale. The Data Center's partnerships with customers, vendors and other private sector entities serve as models for all levels of government.

LEADERSHIP IN TECHNOLOGY AND ELECTRONIC ACCESS TO GOVERNMENT

The role of Teale in California's information technology structure is well defined and its range of service offerings are world-class and competitive. Specifically:

- Teale provides expertise and leadership in the State's discussion and evaluation of its information technology direction and policy.
- Teale influences statewide policy and standards that support innovative, effective and lasting technology solutions.
- Teale's function as a service provider is clearly defined, with specific areas of expertise and services outlined in relationship to other state data centers and technology organizations.

- Teale is clear on its areas of expertise and offerings and leverages its selected range of solutions and platforms to control costs. This advantageous use of resources helps to keep rates low and provides flexibility. Teale's services compete successfully with the private sector in cost, staff expertise and security.
- Teale refines Service Level Objectives such that customers have clear and appropriate expectations of the services Teale provides.
- Teale builds coalitions of customers and vendors to provide technology solutions and to help set direction.
- Teale is able to offer a range of options that meet most needs of state departments because the Data Center identifies the best in each category of its service offerings and works with customers and vendors to implement them. This range of services allows customers to consolidate their technology and data center activities at Teale.
- Teale offers a seamless, reliable and secure infrastructure that is universally accessible.
- Teale provides solutions that are integrated, scalable and secure.
- Teale provides a statewide, web-enabled portal accessed by citizens and state employees through a single interface.
- Teale develops and supports a suite of service offerings that are used in many departments to leverage their existing information technology investments.
- Teale provides technology that allows customers to expand access to mainframe and legacy systems.

STREAMLINED STATE PROCESSES

Teale has a high level of delegation authority and project approval because staff has demonstrated a history of integrity and reliability through project successes. As a result, the Data Center is innovative and able to rapidly provide solutions to its customers.

- Teale has mechanisms to increase spending authority and staff resources commensurate with project needs.
- Teale has flexibility within state budget processes in order to have spending authority and resource approval in time to meet the new and expanding needs of customers.
- Teale participates in opportunities to change and simplify the procurement processes to improve efficiency.

Teale

Teale is proud to be a leader in information technology and to provide services that enable California state agencies to better serve the people of California. The daily work performed by our customers touches the lives of nearly every Californian – from processing automobile licenses, inmate information, and state payroll – to air quality standards, health care databases, and much more.

We would like to thank our customers for their continued business and support. We are committed to assisting them in the application of technology within their organizations now and in the future.